



FOR IMMEDIATE RELEASE

December 15, 2006

STATEMENT BY THE MAYOR

MAYOR SUPPORTS PENSION CASE APPEAL; STRESSES THAT FUNDING OF FULL PENSION BENEFITS INCLUDED IN 5 YEAR FINANCIAL PLAN

MAYOR DISMISSES TALK OF BANKRUPTCY OR HIGHER TAXES

I was disappointed by the court's ruling, but respect the decision. The rule of law is one of the most basic constructs upon which our society is founded. Uncertainty regarding the outcome of this litigation is one of the many reasons I did not advocate a unilateral rollback of pension benefits during the campaign, nor have I ordered a rollback since I have been mayor, in spite of the fact that I do not agree with the level of benefits that were conferred upon City employees.

I support an appeal so that there is no lingering doubt as to the ultimate legality of these benefits. The City Attorney has assured me that he will pursue the appeal with his existing staff and that the City's other legal work will not be negatively impacted.

But this ruling reinforces my view that we must have a financial plan in place to address the pension liability in order to restore our city's financial stability and credibility in financial markets.

Some have offered a false choice between bankruptcy and a tax increase. I could not disagree more.

I have offered a third choice. My 5 Year Financial Plan is not conditioned on a rollback of any presently contracted pension benefits. It puts the city on an actuarially sound track to retire this debt within 20 years, addresses the related issue of retiree healthcare, and also addresses our city's long-neglected problems of deferred maintenance.

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